

Via Electronic Mail

May 9, 2019

Taylor M. Norman, Esq.
Bailey, Javins & Carter, L.C.
213 Hale St.
Charleston, WV 25301

Re: *Frank Kenneth Miller, Jr. v. Cobra Enterprises of Utah, Inc., et al.*
Civil Action No. 2:18-cv-00269

Dear Mr. Norman:

Pursuant to your request, I present herein my present value analysis of the life care plan for Frank Miller. The purpose of this analysis is to determine the present value of the projected future care costs identified in the life care plan.

Foundational Facts & Assumptions

1. **Life Care Plan.** The subject life care plan is presented in a report by RGB Medical, Inc. dated November 19, 2018.
2. **Date of Birth.** Mr. Miller is a white male born on April 24, 1965.
3. **Date of Injury.** Mr. Miller was injured on June 25, 2017.
4. **Valuation Date.** The present value of the life care plan is calculated as of April 30, 2019.
5. **Life Expectancy.** Mr. Miller's life expectancy is age 81, as presented in the life care plan.
6. **Cost Assumptions.** When costs are presented as a range, the mid-point is used.



7. **Projection Method.** The constant-dollar method is employed to project future costs. Under this method, the growth rate is incorporated into the discount rate rather than directly applied to the future cash flows.
8. **Discount Rate.** The net discount rate employed to discount future dollars to present value is calculated as the difference between the 20-year historical averages of the risk-free rate (represented by the yield on 10-year Treasury bonds) and inflation (measured by the annual change in sub-indices of the CPI-U index), as summarized in Table 1.

Table 1
Net Discount Rates

CPI-U Sub-Index	Cost Category	NDR
Services by Other Medical Professionals	Therapy	1.47%
Medical Care Commodities	Equipment	0.96%
Domestic Services	Home Care	1.03%
Physician Services	Physician Care	1.08%
Aggregate CPI-U Index	Miscellaneous	1.36%

Present Value Conclusion

Given the above facts and assumptions, the present value of the life care plan is **\$704,399**, as summarized in Table 2 and Exhibit A.

Table 2
Present Value Summary

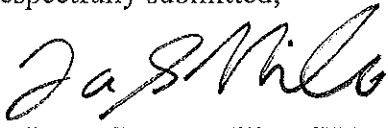
Cost Category	Present Value	Exhibit
Therapy	\$108,579	B
Physician Care	\$14,135	C
Equipment	\$28,523	D
Home Care	\$495,827	E
Miscellaneous	\$57,336	F
Total	\$704,399	

This opinion is presented within a reasonable degree of professional certainty.

I have no present or contemplated financial interest in the outcome of this matter. My fee is based on my normal hourly billing rate and is in no way contingent on the results of my findings.

I reserve the right to amend this report as new information is received.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'La Savory Miller', written in a cursive style.

Dr. Laura Savory Miller, CFA, CVA

Enclosures

Frank Miller
Present Value of Life Care Plan
Summary

Year End	Therapy	Physician Care	Equipment	Home Care	Misc.	Total PV	Cumulative PV
4/30/20	6,579.54	581.69	-	8,343.92	40,845.75	56,350.91	56,350.91
4/30/21	6,484.47	575.46	-	8,258.72	-	15,318.65	71,669.56
4/30/22	4,380.50	569.29	11.76	8,174.39	-	13,135.94	84,805.51
4/30/23	4,317.20	563.18	-	8,090.93	-	12,971.31	97,776.82
4/30/24	4,254.83	557.14	-	8,008.31	-	12,820.28	110,597.10
4/30/25	4,193.35	551.17	11.43	7,926.54	-	12,682.49	123,279.59
4/30/26	4,132.76	545.26	-	7,845.60	-	12,523.62	135,803.21
4/30/27	4,073.05	539.41	-	7,765.49	-	12,377.95	148,181.16
4/30/28	4,014.19	533.63	11.11	7,686.20	-	12,245.13	160,426.29
4/30/29	3,956.19	527.91	-	7,607.71	516.48	12,608.29	173,034.58
4/30/30	3,899.03	522.25	-	7,530.03	-	11,951.31	184,985.89
4/30/31	3,842.70	516.65	5,353.39	7,453.14	-	17,165.87	202,151.76
4/30/32	3,787.17	511.11	-	14,937.85	-	19,236.13	221,387.89
4/30/33	3,732.45	505.63	-	14,785.32	-	19,023.40	240,411.29
4/30/34	3,678.52	500.20	4,894.94	14,634.35	15,522.15	39,230.17	279,641.46
4/30/35	3,625.37	494.84	-	14,484.92	-	18,605.13	298,246.59
4/30/36	3,572.99	489.53	-	14,337.02	-	18,399.54	316,646.13
4/30/37	3,521.36	484.29	4,757.15	14,190.62	-	22,953.42	339,599.55
4/30/38	3,470.48	479.09	-	14,045.72	-	17,995.30	357,594.85
4/30/39	3,420.34	473.96	-	13,902.30	451.35	18,247.95	375,842.80
4/30/40	3,370.92	468.87	4,623.25	13,760.35	-	22,223.39	398,066.19
4/30/41	3,322.21	463.85	-	13,619.84	-	17,405.90	415,472.09
4/30/42	3,274.21	458.87	-	44,185.66	-	47,918.74	463,390.83
4/30/43	3,226.90	453.95	4,493.11	43,734.48	-	51,908.45	515,299.28
4/30/44	3,180.28	449.08	-	43,287.91	-	46,917.27	562,216.55
4/30/45	3,134.33	444.27	-	42,845.90	-	46,424.50	608,641.05
4/30/46	3,089.04	439.50	4,366.64	42,408.41	-	50,303.59	658,944.64
4/30/47	3,044.41	434.79	-	41,975.38	-	45,454.58	704,399.22
Totals	108,578.80	14,134.87	28,522.79	495,827.03	57,335.73	704,399.22	

EXHIBIT

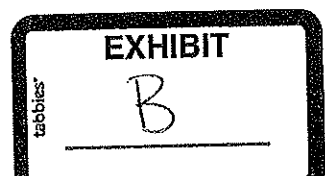
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Frank Miller
Present Value of Life Care Plan
Therapy

Net Discount Rate 1.47%

Year End	Physical Therapy Initial Visit	Physical Therapy Follow-up Visit	Psychological Care	Total	PV Total	Cumulative PV
4/30/20	229.00	4,347.00	2,100.00	6,676.00	6,579.54	6,579.54
4/30/21	229.00	4,347.00	2,100.00	6,676.00	6,484.47	13,064.01
4/30/22	229.00	4,347.00		4,576.00	4,380.50	17,444.51
4/30/23	229.00	4,347.00		4,576.00	4,317.20	21,761.71
4/30/24	229.00	4,347.00		4,576.00	4,254.83	26,016.54
4/30/25	229.00	4,347.00		4,576.00	4,193.35	30,209.89
4/30/26	229.00	4,347.00		4,576.00	4,132.76	34,342.65
4/30/27	229.00	4,347.00		4,576.00	4,073.05	38,415.69
4/30/28	229.00	4,347.00		4,576.00	4,014.19	42,429.89
4/30/29	229.00	4,347.00		4,576.00	3,956.19	46,386.08
4/30/30	229.00	4,347.00		4,576.00	3,899.03	50,285.12
4/30/31	229.00	4,347.00		4,576.00	3,842.70	54,127.81
4/30/32	229.00	4,347.00		4,576.00	3,787.17	57,914.98
4/30/33	229.00	4,347.00		4,576.00	3,732.45	61,647.44
4/30/34	229.00	4,347.00		4,576.00	3,678.52	65,325.96
4/30/35	229.00	4,347.00		4,576.00	3,625.37	68,951.33
4/30/36	229.00	4,347.00		4,576.00	3,572.99	72,524.32
4/30/37	229.00	4,347.00		4,576.00	3,521.36	76,045.68
4/30/38	229.00	4,347.00		4,576.00	3,470.48	79,516.17
4/30/39	229.00	4,347.00		4,576.00	3,420.34	82,936.51
4/30/40	229.00	4,347.00		4,576.00	3,370.92	86,307.43
4/30/41	229.00	4,347.00		4,576.00	3,322.21	89,629.64
4/30/42	229.00	4,347.00		4,576.00	3,274.21	92,903.85
4/30/43	229.00	4,347.00		4,576.00	3,226.90	96,130.75
4/30/44	229.00	4,347.00		4,576.00	3,180.28	99,311.03
4/30/45	229.00	4,347.00		4,576.00	3,134.33	102,445.36
4/30/46	229.00	4,347.00		4,576.00	3,089.04	105,534.40
4/30/47	229.00	4,347.00		4,576.00	3,044.41	108,578.80
Totals	6,412.00	121,716.00	4,200.00	132,328.00	108,578.80	



Frank Miller
Present Value of Life Care Plan
Physician Care

Net Discount Rate 1.08%

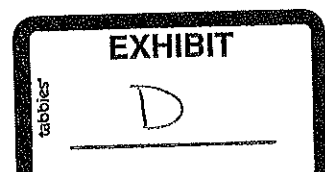
Year End	Physiatry	Total	PV Total	Cumulative PV
4/30/20	588.00	588.00	581.69	581.69
4/30/21	588.00	588.00	575.46	1,157.15
4/30/22	588.00	588.00	569.29	1,726.44
4/30/23	588.00	588.00	563.18	2,289.62
4/30/24	588.00	588.00	557.14	2,846.77
4/30/25	588.00	588.00	551.17	3,397.94
4/30/26	588.00	588.00	545.26	3,943.20
4/30/27	588.00	588.00	539.41	4,482.61
4/30/28	588.00	588.00	533.63	5,016.24
4/30/29	588.00	588.00	527.91	5,544.14
4/30/30	588.00	588.00	522.25	6,066.39
4/30/31	588.00	588.00	516.65	6,583.04
4/30/32	588.00	588.00	511.11	7,094.14
4/30/33	588.00	588.00	505.63	7,599.77
4/30/34	588.00	588.00	500.20	8,099.97
4/30/35	588.00	588.00	494.84	8,594.81
4/30/36	588.00	588.00	489.53	9,084.35
4/30/37	588.00	588.00	484.29	9,568.63
4/30/38	588.00	588.00	479.09	10,047.73
4/30/39	588.00	588.00	473.96	10,521.68
4/30/40	588.00	588.00	468.87	10,990.55
4/30/41	588.00	588.00	463.85	11,454.40
4/30/42	588.00	588.00	458.87	11,913.27
4/30/43	588.00	588.00	453.95	12,367.22
4/30/44	588.00	588.00	449.08	12,816.31
4/30/45	588.00	588.00	444.27	13,260.57
4/30/46	588.00	588.00	439.50	13,700.08
4/30/47	588.00	588.00	434.79	14,134.87
Totals	16,464.00	16,464.00	14,134.87	



Frank Miller
Present Value of Life Care Plan
Equipment

Net Discount Rate 0.96%

Year End	Power Scooter	Power Scooter Vehicle Carrier	Straight Cane	Rollator	Total	PV Total	Cumulative PV
4/30/20					-	-	-
4/30/21					-	-	-
4/30/22			12.11		12.11	11.76	11.76
4/30/23					-	-	11.76
4/30/24					-	-	11.76
4/30/25			12.11		12.11	11.43	23.20
4/30/26					-	-	23.20
4/30/27					-	-	23.20
4/30/28			12.11		12.11	11.11	34.31
4/30/29					-	-	34.31
4/30/30					-	-	34.31
4/30/31	5,499.50	354.99	12.11	134.47	6,001.06	5,353.39	5,387.69
4/30/32					-	-	5,387.69
4/30/33					-	-	5,387.69
4/30/34	5,499.50		12.11	134.47	5,646.07	4,894.94	10,282.63
4/30/35					-	-	10,282.63
4/30/36					-	-	10,282.63
4/30/37	5,499.50		12.11	134.47	5,646.07	4,757.15	15,039.78
4/30/38					-	-	15,039.78
4/30/39					-	-	15,039.78
4/30/40	5,499.50		12.11	134.47	5,646.07	4,623.25	19,663.03
4/30/41					-	-	19,663.03
4/30/42					-	-	19,663.03
4/30/43	5,499.50		12.11	134.47	5,646.07	4,493.11	24,156.14
4/30/44					-	-	24,156.14
4/30/45					-	-	24,156.14
4/30/46	5,499.50		12.11	134.47	5,646.07	4,366.64	28,522.79
4/30/47					-	-	28,522.79
Totals	32,997.00	354.99	108.95	806.79	34,267.73	28,522.79	



Frank Miller
Present Value of Life Care Plan
Home Care

Net Discount Rate 1.03%

Year End	Cleaning	Home Health Care	Total	PV Total	Cumulative PV
4/30/20	3,510.00	4,920.00	8,430.00	8,343.92	8,343.92
4/30/21	3,510.00	4,920.00	8,430.00	8,258.72	16,602.64
4/30/22	3,510.00	4,920.00	8,430.00	8,174.39	24,777.04
4/30/23	3,510.00	4,920.00	8,430.00	8,090.93	32,867.96
4/30/24	3,510.00	4,920.00	8,430.00	8,008.31	40,876.27
4/30/25	3,510.00	4,920.00	8,430.00	7,926.54	48,802.81
4/30/26	3,510.00	4,920.00	8,430.00	7,845.60	56,648.41
4/30/27	3,510.00	4,920.00	8,430.00	7,765.49	64,413.90
4/30/28	3,510.00	4,920.00	8,430.00	7,686.20	72,100.10
4/30/29	3,510.00	4,920.00	8,430.00	7,607.71	79,707.82
4/30/30	3,510.00	4,920.00	8,430.00	7,530.03	87,237.85
4/30/31	3,510.00	4,920.00	8,430.00	7,453.14	94,690.99
4/30/32	3,510.00	13,560.00	17,070.00	14,937.85	109,628.84
4/30/33	3,510.00	13,560.00	17,070.00	14,785.32	124,414.17
4/30/34	3,510.00	13,560.00	17,070.00	14,634.35	139,048.52
4/30/35	3,510.00	13,560.00	17,070.00	14,484.92	153,533.44
4/30/36	3,510.00	13,560.00	17,070.00	14,337.02	167,870.45
4/30/37	3,510.00	13,560.00	17,070.00	14,190.62	182,061.07
4/30/38	3,510.00	13,560.00	17,070.00	14,045.72	196,106.80
4/30/39	3,510.00	13,560.00	17,070.00	13,902.30	210,009.10
4/30/40	3,510.00	13,560.00	17,070.00	13,760.35	223,769.45
4/30/41	3,510.00	13,560.00	17,070.00	13,619.84	237,389.29
4/30/42	3,510.00	52,440.00	55,950.00	44,185.66	281,574.95
4/30/43	3,510.00	52,440.00	55,950.00	43,734.48	325,309.43
4/30/44	3,510.00	52,440.00	55,950.00	43,287.91	368,597.34
4/30/45	3,510.00	52,440.00	55,950.00	42,845.90	411,443.24
4/30/46	3,510.00	52,440.00	55,950.00	42,408.41	453,851.65
4/30/47	3,510.00	52,440.00	55,950.00	41,975.38	495,827.03
Totals	98,280.00	509,280.00	607,560.00	495,827.03	



Frank Miller
Present Value of Life Care Plan
Miscellaneous

Net Discount Rate 1.36%

Year End	Mattress	Home Modifications	Total	PV Total	Cumulative PV
4/30/20		41,400.00	41,400.00	40,845.75	40,845.75
4/30/21			-	-	40,845.75
4/30/22			-	-	40,845.75
4/30/23			-	-	40,845.75
4/30/24			-	-	40,845.75
4/30/25			-	-	40,845.75
4/30/26			-	-	40,845.75
4/30/27			-	-	40,845.75
4/30/28			-	-	40,845.75
4/30/29	591.00		591.00	516.48	41,362.23
4/30/30			-	-	41,362.23
4/30/31			-	-	41,362.23
4/30/32			-	-	41,362.23
4/30/33			-	-	41,362.23
4/30/34		19,000.00	19,000.00	15,522.15	56,884.38
4/30/35			-	-	56,884.38
4/30/36			-	-	56,884.38
4/30/37			-	-	56,884.38
4/30/38			-	-	56,884.38
4/30/39	591.00		591.00	451.35	57,335.73
4/30/40			-	-	57,335.73
4/30/41			-	-	57,335.73
4/30/42			-	-	57,335.73
4/30/43			-	-	57,335.73
4/30/44			-	-	57,335.73
4/30/45			-	-	57,335.73
4/30/46			-	-	57,335.73
4/30/47			-	-	57,335.73
Totals	1,181.99	60,400.00	61,581.99	57,335.73	

